

# S. 1895

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## **SECTION 1. SHORT TITLE.**

This Act may be cited as the ``Centennial Monetary Commission Act of 2013''.

## **SEC. 2. FINDINGS.**

Congress finds the following:

- (1) The Constitution endows Congress with the power ``to coin money, regulate the value thereof'.
- (2) Following the financial crisis known as the Panic of 1907, Congress established the National Monetary Commission to provide recommendations for the reform of the financial and monetary systems of the United States.
- (3) Incorporating several of the recommendations of the National Monetary Commission, Congress created the Federal Reserve System in 1913. As currently organized, the Federal Reserve System consists of the Board of Governors in Washington, District of Columbia, and the Federal Reserve Banks organized into 12 districts around the United States. The stockholders of the 12 Federal Reserve Banks include national and certain state-chartered commercial banks, which operate on a fractional reserve basis.
- (4) Originally, Congress gave the Federal Reserve a monetary mandate to provide an elastic currency, within the context of a gold standard, in response to seasonal fluctuations in the demand for currency.
- (5) Congress also gave the Federal Reserve a financial stability mandate to serve as the lender of last resort to solvent but illiquid banks during a financial crisis.
- (6) In 1977, Congress changed the monetary mandate of the Federal Reserve to a dual mandate for maximum employment and stable prices.
- (7) Empirical studies and historical evidence, both within the United States and in other countries, demonstrate that price stability is desirable because both inflation and deflation damage the economy.
- (8) The economic challenge of recent years--most notably the bursting of the housing bubble, the financial crisis of 2008, and the ensuing anemic recovery--have occurred at great cost in terms of lost jobs and output.
- (9) Policymakers are reexamining the structure and functioning of financial institutions and markets to determine what, if any, changes need to be made to place the financial system on a stronger, more sustainable path going forward.
- (10) The Federal Reserve has taken extraordinary actions in response to the recent economic challenges.
- (11) The Federal Open Market Committee has engaged in multiple rounds of quantitative easing, providing unprecedented liquidity to financial markets, while committing to holding short-term interest rates low for a seemingly indefinite period, and pursuing a policy of credit allocation by purchasing Federal agency debt and mortgage-backed securities.
- (12) In the wake of the recent extraordinary actions of the Federal Reserve, Congress--consistent with its constitutional responsibilities and as it has done periodically throughout the history of the United States--has once again renewed its examination of monetary policy.
- (13) Central in such examination has been a renewed look at what is the most proper mandate for the Federal Reserve to conduct monetary policy in the 21st century.

## **SEC. 3. ESTABLISHMENT.**

There is established a commission to be known as the ``Centennial Monetary Commission" (in this Act referred to as the ``Commission").

## **SEC. 4. DUTIES.**

(a) *Study of Monetary Policy.*--The Commission shall--

- (1) examine how United States monetary policy since the creation of the Board of Governors of the Federal Reserve System in 1913 has affected the performance of the United States economy in terms of output, employment, prices, and financial stability over time;

(2) evaluate various operational regimes under which the Board of Governors of the Federal Reserve System and the Federal Open Market Committee may conduct monetary policy in terms achieving the maximum sustainable level of output and employment and price stability over the long term, including--

- (A) discretion in determining monetary policy without an operational regime;
- (B) price level targeting;
- (C) inflation rate targeting;
- (D) nominal gross domestic product targeting (both level and growth rate);
- (E) the use of monetary policy rules; and
- (F) the gold standard; and

(3) recommend a course for United States monetary policy going forward, including--

- (A) the legislative mandate;
- (B) the operational regime;
- (C) the securities used in open market operations; and
- (D) transparency issues.

(b) *Report on Monetary Policy.*--Not later than June 30, 2014, the Commission shall submit to Congress and make publicly available a report containing a statement of the findings and conclusions of the Commission in carrying out the study under subsection (a), together with the recommendations the Commission considers appropriate.

## **SEC. 5. MEMBERSHIP.**

(a) *Number and Appointment.*--

(1) **VOTING MEMBERS BY POSITION.**--The Commission shall contain 6 voting members as follows:

(A) The Chair of the Joint Economic Committee, who shall serve as Chair of the Commission.

(B) The ranking minority member of the Joint Economic Committee, who shall serve as Vice Chair of the Commission.

(C) The Chair of the Committee on Financial Services of the House of Representatives or another majority member of such Committee designated by the Chair.

(D) The ranking minority member of the Committee on Financial Services of the House of Representatives or another minority member of such Committee designated by the ranking minority member.

(E) The Chair of the Committee on Banking, Housing, and Urban Affairs of the Senate or another majority member of such Committee designated by the Chair.

(F) The ranking minority member of the Committee on Banking, Housing, and Urban Affairs of the Senate or another minority member of such Committee designated by the ranking minority member.

(2) **APPOINTED VOTING MEMBERS.**--The Commission shall contain 6 voting members, who may not be Members of Congress, as follows:

(A) Two members appointed by the Speaker of the House of Representatives.

(B) One member appointed by the minority leader of the House of Representatives.

(C) Two members appointed by the majority leader of the Senate.

(D) One member appointed by the minority leader of the Senate.

(3) **NON-VOTING MEMBERS.**--The Commission shall contain 2 non-voting members as follows:

(A) One member appointed by the Secretary of the Treasury.

(B) One member who is the president of a district Federal reserve bank appointed by the Chair of the Board of Governors of the Federal Reserve System.

(b) *Period of Appointment.*--Each member shall be appointed for the life of the Commission.

(c) *Timing of Appointment.*--All members of the Commission shall be appointed not before January 5, 2013, and not later than 30 days after the date of the enactment of this Act.

(d) *Vacancies.*--A vacancy in the Commission shall not affect its powers, and shall be filled in the manner in which the original appointment was made.

(e) *Meetings.*--

(1) **INITIAL MEETING.**--The Commission shall hold its initial meeting and begin the operations of the Commission as soon as is practicable.

(2) **FURTHER MEETINGS.**--The Commission shall meet upon the call of the Chair or a majority of its members.

(f) *Quorum*.--Seven voting members of the Commission shall constitute a quorum but a lesser number may hold hearings.

(g) *Member of Congress Defined*.--In this section, the term "Member of Congress" means a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress.

## **SEC. 6. POWERS.**

(a) *Hearings and Sessions*.--The Commission or, on the authority of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, receive evidence, or administer oaths as the Commission or such subcommittee or member thereof considers appropriate.

(b) *Contract Authority*.--To the extent or in the amounts provided in advance in appropriation Acts, the Commission may contract with and compensate government and private agencies or persons to enable the Commission to discharge its duties under this Act, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(c) *Obtaining Official Data*.--

(1) **IN GENERAL**.--The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government, any information, including suggestions, estimates, or statistics, for the purposes of this Act.

(2) **REQUESTING OFFICIAL DATA**.--The head of such department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the government shall, to the extent authorized by law, furnish such information upon request made by--

(A) the Chair;

(B) the Chair of any subcommittee created by a majority of the Commission; or

(C) any member of the Commission designated by a majority of the commission to request such information.

(d) *Assistance From Federal Agencies*.--

(1) **GENERAL SERVICES ADMINISTRATION**.--The Administrator of General Services shall provide to the Commission on a reimbursable basis administrative support and other services for the performance of the functions of the Commission.

(2) **OTHER DEPARTMENTS AND AGENCIES**.--In addition to the assistance prescribed in paragraph (1), at the request of the Commission, departments and agencies of the United States shall provide such services, funds, facilities, staff, and other support services as may be authorized by law.

(e) *Postal Service*.--The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

## **SEC. 7. COMMISSION PERSONNEL.**

(a) *Appointment and Compensation of Staff*.--

(1) **IN GENERAL**.--Subject to rules prescribed by the Commission, the Chair may appoint and fix the pay of the executive director and other personnel as the Chair considers appropriate.

(2) **APPLICABILITY OF CIVIL SERVICE LAWS**.--The staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of level V of the Executive Schedule.

(b) *Consultants*.--The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the rate of pay for a person occupying a position at level IV of the Executive Schedule.

(c) *Staff of Federal Agencies*.--Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist it in carrying out its duties under this Act.

## **SEC. 8. TERMINATION.**

(a) *In General*.--The Commission shall terminate on February 28, 2015.

(b) *Administrative Activities Before Termination.*--The Commission may use the period between the submission of its report and its termination for the purpose of concluding its activities, including providing testimony to committees of Congress concerning its report.

**SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary to carry out this Act and such sums shall remain available until the date on which the Commission terminates.